of exports of onion by raising its Minimum Export Prices (MEP). The MEP of onion was increased to $ 495 a tonne from 01.10.2007.

Now that the prices of onion have started declining in the market, the Government has started encouraging export of onion by reducing its MEP to S 250 per tonne with effect from December 2007.

Compensation to farmers for crop loss

†1955. SHRI AJAY SINGH CHAUTALA: Will the Minister of AGRICULTURE be pleased to state:

(a) whether it is a fact that compensation to the farmers is granted at a very poor rate in case their crop is ruined due to natural calamities;

(b) what criteria is adopted in order to assess the amount of compensation; and

(c) whether Government would contemplate to increase the amount of compensation to the affected farmers at the rate of rupees ten thousand per acre?

THE MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE (SHRI KANTI LAL BHURIA): (a) to (c) Ministry of Home Affairs (MHA) is concerned with matters relating to items and norms of assistance from Calamity Relief Fund (CRF) and National Calamity Contingency Fund (NCCF).

MHA have informed that assistance to farmers for loss of crops in the wake of natural calamities is provided in the form of agriculture input subsidy and not compensation, in accordance with the items and norms approved by the Government.

According to them, it has generally been a practice to review and revise the itmes and norms of assistance immediately after the Award of the Finance Commission is accepted by the Government. Subsequent to acceptance by the Government of the Award of the 12th Finance Commission, an Expert Group was constituted by the MHA to review and recommend revision of the items and norms of assistance from CRF/NCCF.

MHA have further informed that the Government of India, considering the recommendations of the Expert Group has approved the revision of items and norms of assistance from CRF/NCCF, with effect from 27th June, 2007. The norms for agriculture input subsidy have been revised as per details given below:

Item	Old norm (per hectare)	Revised norm (per hectare)
For Rainfed Areas	Rs. 1000/-	Rs. 2000/-
For Irrigated Areas	Rs.2500/-	Rs.4000/-
For Perennial crops	Rs.4000/-	Rs.6000/-

Recommendation of Radhakrishna Committee

1956. SHRI MAHENDRA MOHAN:
SHRI KAMAL AKHTAR:

Will the Minister of AGRICULTURE be pleased to state:

(a) whether it is a fact that the Radhakrishna Committee has recommended to set up an

† Original notice of the question was received in Hindi.

Agricultural Development Fund to finance special agricultural developmental programmes in hundred agricultural distressed districts;

(b) if so, the details thereof;

(c) what are other recommendations of this Committee related to development of agriculture;

(d) whether Government has identified such districts; and

(e) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE (SHRI KANTI LAL BHURIA): (a) and (b) The Expert Group on Agricultural Indebtedness under the Chairmanship of Prof. R. Radhakrishna has recommended that the unutilized portion of banks' obligation towards priority sector lending to agriculture should be fully transferred directly to National Bank for Agriculture and Rural Development (NABARD) or to the Central Government by issuing non-transferable Rural Development Bonds (RDBs) for financing agricultural development programmes. The Expert Group has also recommended the implementation of the programmes in 100 agriculturally less developed and distress districts identified for special agricultural development programmes.

(c) The details are given in Statement *(See* below).

(d) No, Sir.

(e) Does not arise.

Statement

Agricultural Development Fund to Finance special agricultural development programmes in hundred agricultural distressed districts

The Report of the Expert Group focuses on institutions and instruments that would strengthen the credit delivery mechanism for the farm community in particular and for rural India in general. While doing so, it takes cognizance of the imperatives of addressing the credit absorption and demand-side issues. Policy interventions and institutional reforms essential for resolving the farm crisis, which go beyond the credit delivery system, also form part of this Report. In the long-term interest of the financial system, a positive repayment culture for bank loans deserves to be actively promoted.

The Report recommends as under:—

1. *Immediate Credit Measures include:*

Implementation of the Prime Minister's Relief Package: The needs of individual households should be taken into account with necessary flexibility. Rescheduling of loan of farmers affected by natural calamities. Credit for Rainfed Areas; Formalisation of informal credit; Inclusion of financially excluded; Project-Based Lending.

2. Financial Architecture include:

Agency and Mobile Banking; System of Bharat Kisan Credit Card; Reforming Lead Bank Scheme; Credit Counseling for Farmers; Simplifying the Procedure for Mortgages; Simplifying procedure to Reduce Transaction Costs; Computerization of Records; Integration of Micro

Finance Institutions with the Mainstream banking; Improved Deployment of Rural Infrastructure Development Fund (RIDF).

3. Institutional Architecture include: Federations of

Farmers-Self Help Groups (SHGs)

4. Risk Mitigation Measures include:

Crop Insurance, Weather Insurance, Price Risk Mitigation; Variable Tariff; Crop Surveillance; Mitigating Risks from Spurious Inputs; Strengthening of Research and Extension Services.

5. Other Measures include:

Expanding Livelihood Base and Rural Health Facilities.

Half price for farmer's products

1957. MS. SUSHILATIRIYA: Will the Minister of AGRICULTURE be pleased to state:

(a) whether it is a fact that farmers get just half the price that consumers pay for their produce;

(b) if so, the reasons therefor; and

(c) the steps taken in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE (SHRI KANTI LAL BHURIA): (a) and (c) In a study on market margins for some crops conducted through out the country during 2004-05, it was found that producer's share in consumer's price for paddy/rice varies from 81.49 per cent in Chhattisgarh State to 61.79 per cent in Karnataka. For wheat, it varies between 85.73 per cent in Rajasthan to 62.47 per cent in Karnataka. The Government fixes Minimum Support Price (MSP) for major crops, so that farmers get remunerative price for their produce. Also, the Agricultural Produce Marketing Committee (APMC) Act has been amended to benefit the farmers to realize better prices.

Ban on use of chemical fertilizer and pesticides

†1958. SHRI PYARELAL KHANDELWAL: Will the Minister of AGRICULTURE be pleased to state:

(a) whether keeping in view the problem of water, Government is considering upon any plan regarding imposing ban on the use of chemical fertilizers and pesticides and encourgaing the usage of bio-manures;

(b) if so, the details thereof; and

(c) if not, the reasons therefor, whereas use of pesticides in developed countries is already banned?

THE MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE (SHRI KANTI LAL BHURIA): (a) and (b) There is no proposal under consideration of the Government regarding imposing ban on chemical fertilizers and pesticides, except those pesticides banned as per

† Original notice of the question was received in Hindi.